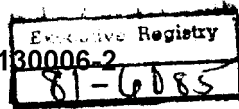


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DCI/RM 81-2404
14 January 1981

CDP # 81-077

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: [redacted]
Deputy to the DCI for Resource Management

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SUBJECT: FY 1981 Funds for the Community-wide
Computer-assisted Compartmentation
Control System (4C)

REFERENCES: A. United States Senate Committee on
Appropriations, DOD Appropriation Bill,
1981, Classified Annex, Report 96-1020
B. House of Representatives Classified
Annex to the Joint Explanatory Statement
of the Committee on Conference to Accompany
the Conference Report on HR 8105,
Report 96-1528A, 4 December 1980

1. Action Requested: That you sign the attached letters to the Chairman, Subcommittee on Defense, Senate Appropriations Committee, and Chairman, House Appropriations Committee.

2. Background: During Congressional review a [redacted] obligation limit was imposed on FY 1981 APEX funding. If that restriction is not lifted, the 4C sytem implementation schedule will have to be revised markedly. The effect will be to delay 4C service to a number of Community users and, therefore, to delay important security management benefits which are possible only after completion of Phase II of 4C. The driving item is a 26 January 1981 COMSEC procurement deadline. If we can gain a release by that date, we can start Phase II COMSEC procurement this fiscal year. If not, we must wait another year for implementation of Phase II.

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This package has been coordinated with [redacted] SA/DCI/C,
and [redacted] Office of Data Processing.

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3. Recommendation: Approval of the attached letters.

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Attachments: a/s



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SUBJECT: FY 1981 Funds for the Community-wide
Computer-assisted Compartmentation
Control System (4C)

APPROVED: 
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 14 JAN 1981

SUBJECT: FY 1981 Funds for the Community-wide
Computer-assisted Compartmentation
Control System (4C)

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Background on the 4C System and the FY 1981 Funding Issue

1. Question: What is the impact of reducing the FY 1981 funding for APEX

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tion of the Community-wide Computer-assisted Compartmentation Control system (4C), and since (b) the 4C system is a fundamental requirement which must be implemented in order to satisfy Community security objectives prior to APEX or any other means of improving security management controls, the question becomes what is the effect of reducing 4C's FY 1981 budget to [REDACTED]

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2. Background:

a. 4C--The Basic Problem: The 4C system will be an interactive computerized data base to be updated and used on-line by all of the members of the Intelligence Community through terminals located in their facilities. The data base will record two distinct types of information:

(1) Data on personnel who have or have had access to special compartmented information (SCI).

(2) Data on facilities which handle or store SCI.

b. 4C--Capabilities: The 4C system with one central interactive data base is conceived to replace nineteen existing computerized data bases maintained by government agencies, military services, and the Unified and Specified Commands. This is expected to have at least the following beneficial results:

(1) Provide immediate, up-to-date information to special security officers (SSO's) throughout the government who are tasked with controlling access to and storage of SCI.

(2) Eliminate the tremendous redundancy and considerable error inherent in the maintenance of numerous data bases and computer systems.

(3) Provide Intelligence Community managers with accurate statistics for management of special compartmented information, security investigations, and resource sharing.

(4) Promote standardization of compartmentation and investigation policies/procedures.

(5) Eliminate most of the communications and cable traffic

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(6) Reduce duplication of background investigations necessary now because there is no convenient access between agencies.

(7) Promote sharing of SCI storage facilities--again through better information exchange.

(8) Automate the preparation of SCI facility address books--presently a manual process.

c. 4C--The Requirements: The 4C system is needed because of its absolute requirement to provide current management information, standardize policies and procedures, and automate address book preparation. The 4C was first conceived in 1974, and specifically proposed by the Community in 1975 and 1978, but unfunded. APEX led to the funding of 4C and developed the requirement to the present form. Analysis of the concept points out that 4C would quickly pay for itself by eliminating redundant systems, unnecessary cables and communications, duplication of background investigations, and by improved utilization of government personnel and facilities.

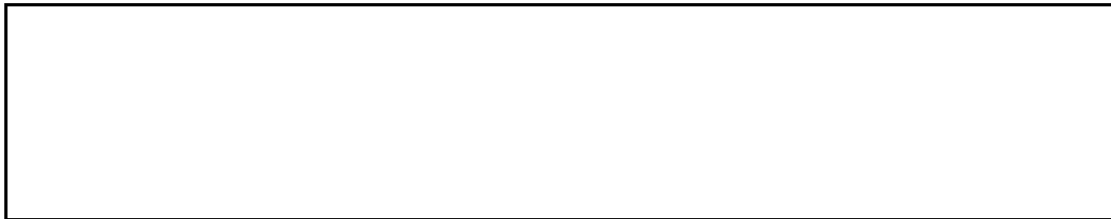
d. 4C--The Timetable: The implementation of the 4C system will provide an interactive computer data base service to virtually all NFIB members and agencies. The system is being implemented in two phases:



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The organizations and locations to be serviced are presented in Attachment 1.

e. 4C--The Approach: The system has been designed to make maximum use of available equipment and resources while maintaining the security of its very sensitive data.



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3. Funding Reductions:



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(2) Aggressive project management has resulted in a very favorable contract and has reduced system complexity. As a result, the cost of 4C software development during FY 81 has been reduced [redacted]

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(3) Nine existing terminals and five existing low-speed printers will be used by 4C. Savings-- [redacted]

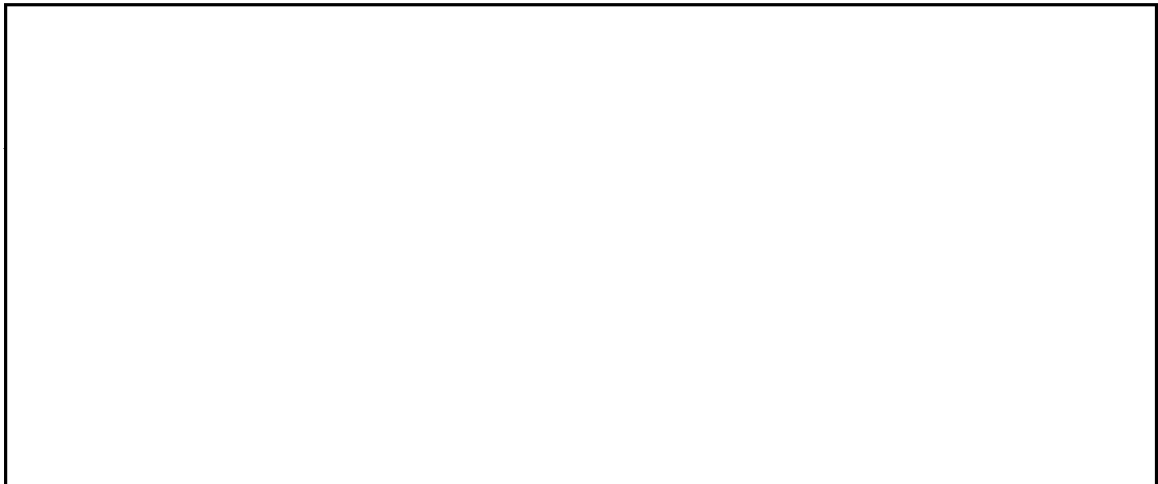
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b. Therefore, in order to meet requirements outlined in paragraphs 2a and 2b on the schedule at paragraph 2d, [redacted] of FY 1981 funds are required. Breakout of 4C's FY 1981 expenditures are listed at Attachment 2.

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c. If it is necessary to pare the 4C budget [redacted] only two areas could be reduced without fatally affecting the system.

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NOTE: The facilities which would be affected by Phase I and II delays are indicated in Attachment 1, denoted by an asterisk.

d. These two actions could reduce 4C's FY 1981 funding requirements to [redacted]

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4. Impact of a 4C FY 1981 Budget Reduction: If 4C's FY 1981 budget is reduced to [redacted] the following impact would be realized until remedial funds were provided and development performed.

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a. Most of 4C's data would be continually out-of-date, since most Unified and Specified Commands would not enjoy 4C service. Data would normally be two to four weeks old and subject to errors caused by non-standard systems, policies and procedures.

b. Twelve registry systems would still exist and major redundancy and interface problems would remain.

c. Security managers would not have current or consistent data.

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d. Almost all the DOD cable and communication traffic which would have been eliminated under full 4C funding would have to continue.

e. Significant overhead would continue since management economies would still not be possible, i.e., elimination of duplicative investigations, sharing of storage facilities, and automation of address book preparation.

5. Additional Comment: While 4C system benefits which may be lost through an FY 1981 budget reduction are to some degree recoverable in the out-years, such expansion will cost significantly more later since upgrade will probably have to be accomplished on a case-by-case basis, rather than as part of an integrated development effort. Additionally, procurement delays cost

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